

B 25C (Official Form 25C) (12-08)

## UNITED STATES BANKRUPTCY COURT

Southern District of Indiana

In re TWC Capital, Inc.  
DebtorCase No. 12-11019-BHL-11

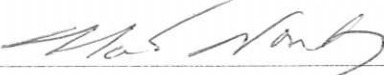
Small Business Case under Chapter 11

## SMALL BUSINESS MONTHLY OPERATING REPORT

Month: March 2013  
Line of Business: Specialty Finance Company  
Serving The Insurance IndustryDate filed: April 15, 2013  
NAISC Code: 524298

IN ACCORDANCE WITH TITLE 28, SECTION 1746, OF THE UNITED STATES CODE, I DECLARE UNDER PENALTY OF PERJURY THAT I HAVE EXAMINED THE FOLLOWING SMALL BUSINESS MONTHLY OPERATING REPORT AND THE ACCOMPANYING ATTACHMENTS AND, TO THE BEST OF MY KNOWLEDGE, THESE DOCUMENTS ARE TRUE, CORRECT AND COMPLETE.

RESPONSIBLE PARTY:

  
Original Signature of Responsible Party

Mark P Nondorf  
Printed Name of Responsible Party

Questionnaire: (All questions to be answered on behalf of the debtor.)

	Yes	No
1. IS THE BUSINESS STILL OPERATING?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
2. HAVE YOU PAID ALL YOUR BILLS ON TIME THIS MONTH?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
3. DID YOU PAY YOUR EMPLOYEES ON TIME?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
4. HAVE YOU DEPOSITED ALL THE RECEIPTS FOR YOUR BUSINESS INTO THE DIP ACCOUNT THIS MONTH?	<input checked="" type="checkbox"/> (1)	<input type="checkbox"/>
5. HAVE YOU FILED ALL OF YOUR TAX RETURNS AND PAID ALL OF YOUR TAXES THIS MONTH?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
6. HAVE YOU TIMELY FILED ALL OTHER REQUIRED GOVERNMENT FILINGS?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
7. HAVE YOU PAID ALL OF YOUR INSURANCE PREMIUMS THIS MONTH?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
8. DO YOU PLAN TO CONTINUE TO OPERATE THE BUSINESS NEXT MONTH?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
9. ARE YOU CURRENT ON YOUR QUARTERLY FEE PAYMENT TO THE U.S. TRUSTEE?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
10. HAVE YOU PAID ANYTHING TO YOUR ATTORNEY OR OTHER PROFESSIONALS THIS MONTH?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
11. DID YOU HAVE ANY UNUSUAL OR SIGNIFICANT UNANTICIPATED EXPENSES THIS MONTH?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
12. HAS THE BUSINESS SOLD ANY GOODS OR PROVIDED SERVICES OR TRANSFERRED ANY ASSETS TO ANY BUSINESS RELATED TO THE DIP IN ANY WAY?	<input type="checkbox"/>	<input checked="" type="checkbox"/> (2)
13. DO YOU HAVE ANY BANK ACCOUNTS OPEN OTHER THAN THE DIP ACCOUNT?	<input type="checkbox"/>	<input checked="" type="checkbox"/> (2)

(1) Separate DIP accounts were not required by Court. Company continues to use Court approved bank accounts only.

(2) DIP was closed as of 1/31/12

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14. HAVE YOU SOLD ANY ASSETS OTHER THAN INVENTORY THIS MONTH? ☐ ☒
15. DID ANY INSURANCE COMPANY CANCEL YOUR POLICY THIS MONTH? ☐ ☒
16. HAVE YOU BORROWED MONEY FROM ANYONE THIS MONTH? ☐ ☒
17. HAS ANYONE MADE AN INVESTMENT IN YOUR BUSINESS THIS MONTH? ☐ ☒
18. HAVE YOU PAID ANY BILLS YOU OWED BEFORE YOU FILED BANKRUPTCY? ☐ ☒

**TAXES**

DO YOU HAVE ANY PAST DUE TAX RETURNS OR PAST DUE POST-PETITION TAX OBLIGATIONS? ☐ ☒

IF YES, PLEASE PROVIDE A WRITTEN EXPLANATION INCLUDING WHEN SUCH RETURNS WILL BE FILED, OR WHEN SUCH PAYMENTS WILL BE MADE AND THE SOURCE OF THE FUNDS FOR THE PAYMENT.

*(Extensions for Federal and State Returns filed with no tax obligation due.)*

*(Exhibit A)*

**INCOME**

PLEASE SEPARATELY LIST ALL OF THE INCOME YOU RECEIVED FOR THE MONTH. THE LIST SHOULD INCLUDE ALL INCOME FROM CASH AND CREDIT TRANSACTIONS. *(THE U.S. TRUSTEE MAY WAIVE THIS REQUIREMENT.)*

TOTAL INCOME \$

**SUMMARY OF CASH ON HAND**

Cash on Hand at Start of Month \$

Cash on Hand at End of Month \$

PLEASE PROVIDE THE TOTAL AMOUNT OF CASH CURRENTLY AVAILABLE TO YOU TOTAL \$

*(Exhibit B)*

**EXPENSES**

PLEASE SEPARATELY LIST ALL EXPENSES PAID BY CASH OR BY CHECK FROM YOUR BANK ACCOUNTS THIS MONTH. INCLUDE THE DATE PAID, WHO WAS PAID THE MONEY, THE PURPOSE AND THE AMOUNT. *(THE U.S. TRUSTEE MAY WAIVE THIS REQUIREMENT.)*

TOTAL EXPENSES \$

*(Exhibit C)*

**CASH PROFIT**

INCOME FOR THE MONTH *(TOTAL FROM EXHIBIT B)* \$

EXPENSES FOR THE MONTH *(TOTAL FROM EXHIBIT C)* \$

*(Subtract Line C from Line B)*

CASH PROFIT FOR THE MONTH \$

*SEE  
Exh. B, 7  
A*

B 25C (Official Form 25C) (12-08)

**UNPAID BILLS**

PLEASE ATTACH A LIST OF ALL DEBTS (INCLUDING TAXES) WHICH YOU HAVE INCURRED SINCE THE DATE YOU FILED BANKRUPTCY BUT HAVE NOT PAID. THE LIST MUST INCLUDE THE DATE THE DEBT WAS INCURRED, WHO IS OWED THE MONEY, THE PURPOSE OF THE DEBT AND WHEN THE DEBT IS DUE. (THE U.S. TRUSTEE MAY WAIVE THIS REQUIREMENT.)

TOTAL PAYABLES \$ \_\_\_\_\_

~~(Exhibit D)~~See Exhibit  
B**MONEY OWED TO YOU**

PLEASE ATTACH A LIST OF ALL AMOUNTS OWED TO YOU BY YOUR CUSTOMERS FOR WORK YOU HAVE DONE OR THE MERCHANDISE YOU HAVE SOLD. YOU SHOULD INCLUDE WHO OWES YOU MONEY, HOW MUCH IS OWED AND WHEN IS PAYMENT DUE. (THE U.S. TRUSTEE MAY WAIVE THIS REQUIREMENT.)

TOTAL RECEIVABLES \$ \_\_\_\_\_

~~(Exhibit E)~~See Exhibit  
C**BANKING INFORMATION**

PLEASE ATTACH A COPY OF YOUR LATEST BANK STATEMENT FOR EVERY ACCOUNT YOU HAVE AS OF THE DATE OF THIS FINANCIAL REPORT OR HAD DURING THE PERIOD COVERED BY THIS REPORT.

~~(Exhibit F)~~See Exhibit  
D**EMPLOYEES**

NUMBER OF EMPLOYEES WHEN THE CASE WAS FILED?

NUMBER OF EMPLOYEES AS OF THE DATE OF THIS MONTHLY REPORT?

6 (1/6 full time)  
0 (part time)  
1 (part time)**PROFESSIONAL FEES****BANKRUPTCY RELATED:**

PROFESSIONAL FEES RELATING TO THE BANKRUPTCY CASE PAID DURING THIS REPORTING PERIOD?

\$ 31,227

TOTAL PROFESSIONAL FEES RELATING TO THE BANKRUPTCY CASE PAID SINCE THE FILING OF THE CASE?

\$ 167,194

**NON-BANKRUPTCY RELATED:**

PROFESSIONAL FEES NOT RELATING TO THE BANKRUPTCY CASE PAID DURING THIS REPORTING PERIOD?

\$ 0

TOTAL PROFESSIONAL FEES NOT RELATING TO THE BANKRUPTCY CASE PAID SINCE THE FILING OF THE CASE?

\$ 0

B 25C (Official Form 25C) (12-08)

## PROJECTIONS

COMPARE YOUR ACTUAL INCOME AND EXPENSES TO THE PROJECTIONS FOR THE FIRST 180 DAYS OF YOUR CASE PROVIDED AT THE INITIAL DEBTOR INTERVIEW.

	Projected	Actual	Difference
INCOME	\$ _____	\$ _____	\$ _____
EXPENSES	\$ _____	\$ _____	\$ _____
CASH PROFIT	\$ _____	\$ _____	\$ _____

TOTAL PROJECTED INCOME FOR THE NEXT MONTH: \$ \_\_\_\_\_  
 TOTAL PROJECTED EXPENSES FOR THE NEXT MONTH: \$ \_\_\_\_\_  
 TOTAL PROJECTED CASH PROFIT FOR THE NEXT MONTH: \$ \_\_\_\_\_

*See Exhibit A*

## ADDITIONAL INFORMATION

PLEASE ATTACH ALL FINANCIAL REPORTS INCLUDING AN INCOME STATEMENT AND BALANCE SHEET WHICH YOU PREPARE INTERNALLY.

*See Exhibit E*



**TWG Capital, Inc.**  
**Current Business Income And Expenses (Cash Basis)**

*Monthly*

	Actual March	Projected March	Monthly Positive (Negative) Variance	March Variance Explanation	Est April
Cash at Beginning of Period per Bank	207,965				
Management fees	-	-	-		-
Progeny servicing fee/LTPC	-	30,000	(30,000)	Imagine Re receivable of \$30k not received	5,413
Other (downline, expense reserve, LTPC)	7,912	24,632	(16,720)	Timing of Cast share true up.	5,413
Total cash in	7,912	54,632	(46,720)		
Payroll, benefits, and payroll taxes	1,584	3,998	2,414	Court approved remaining payment of unused vacation pay.	585
Insurance (Health, Disability, Etc.)	-	600	600	Lower due to Carmel Funding taking over ops as of 12/31	-
Rent	3,009	3,009	(0)		3,009
Bank service fee	10	10	-		10
Phone	416	1,211	795		732
Licenses	-	2,500	2,500	Timing of when licenses renew	500
Office supplies	-	585	585		665
Paychex	126	99	(27)		44
IR1 Downlines	609	609	0		-
Legal and Professional	32,841	60,000	27,159	Timing of payment	42,959
Accg and tax fees	-	5,700	5,700	Timing of payment	5,700
Postage	-	618	618		618
Travel & ent	137	300	163		200
Trustee Fees	100	100	-		-
Taxes	-	-	-		-
Capital expenditures/ IT Outsourcing	5,717	9,636	3,919	Timing of payment	8,560
Other Servicing	278	768	490		645
Downlines	10,584	10,584	0		-
LTPC transfers	-	-	-		-
Orig Arranger Fees	-	-	-		-
Shipping/Postage	-	-	-		-
Marketing Expense	-	-	-		-
DIP Financing (interest and payments)	-	-	-		-
Total cash out	55,410	100,327	44,917		64,227
Net cash	(47,498)	(45,695)	(1,803)		(58,814)
Cash at End of Period per Bank	160,467				

Exhibit A 1K

**TWG Capital, Inc.**  
**Current Business Income And Expenses (Cash Basis)**

*- Oct 12 - March 13*

	Actual Oct-March	Projected Oct-March	Filing to Date Positive (Negative) Variance	Filing To Date Variance Explanation
Cash at Beginning of Period per Bank	165,850			
Management fees	221,042	240,484	(19,442)	
Progeny servicing fee/LTPC	87,957	113,200	(25,244)	Collection of LTPC settlement (\$30k) has not been received
Other (downline, expense reserve, LTPC)	301,243	114,475	186,768	Includes \$200k in DIP financing
Total cash in	610,241	468,159	142,082	
Payroll, benefits, and payroll taxes	204,106	252,362	48,256	Lower cost due to asset sale.
Insurance (Health, Disability, Etc.)	39,392	36,621	(2,771)	
Rent	15,747	18,754	3,008	
Bank service fee	192	260	68	
Phone	5,307	7,796	2,489	
Licenses	4,044	14,782	10,738	
Office supplies	1,045	3,411	2,366	
Paychex	1,570	1,377	(193)	
IR1 Downlines	2,970	609	(2,361)	
Legal and Professional	216,985	385,760	168,775	Lower than anticipated fees, possibly only timing in nature
Acctg and tax fees	2,981	20,670	17,688	Lower than anticipated fees, possibly only timing in nature
Postage	1,522	3,088	1,566	
Travel & ent	2,856	2,107	(749)	
Trustee Fees	4,975	10,100	5,125	timing of payment vs budgeted
Taxes	-	-	-	
Capital expenditures/ IT Outsourcing	52,158	48,932	(3,226)	
Other Servicing	4,373	99,457	95,084	lower than anticipated use of 3rd party fees
Downlines	23,992	23,993	1	
LTPC transfers	-	-	-	
Orig Arranger Fees	-	-	-	
Shipping/Postage	-	-	-	
Marketing Expense	-	-	-	
DIP Financing (interest and payments)	31,409	15,537	(15,872)	Lower than anticipated need for borrowing under DIP
Total cash out	615,624	945,615	329,991	
Net cash	(5,383)	(477,456)	472,073	
Cash at End of Period per Bank	160,467			

*Exhibit A 2/2*

TWG Capital, Inc

As of March 31, 2013

Listing of Debts Incurred Since Bankruptcy, That Have Not Been Paid

Type	Date	Name	Purpose	Open Balance
Bill	10/17/2012	Faegre Baker Daniels LLP	Legal Fees	7,663.60
Bill	11/07/2012	Faegre Baker Daniels LLP	Legal Fees	11,169.50
Bill	11/30/2012	Faegre Baker Daniels LLP	Legal Fees	9,185.90
Bill	01/31/2013	Peters, Browning & Co., P.C.	Tax Fee	850.00
Bill	02/01/2013	Faegre Baker Daniels LLP	Legal Fees	3,445.30
Bill	03/01/2013	Consolidated Brokers Insurance	Downline for Nord, MGA	4,513.83
Bill	03/01/2013	Barbara Bucholz	Downline for Nord, MGA	264.00
Bill	03/01/2013	Clayton Perry	Downline for Nord, MGA	284.49
Bill	03/01/2013	Dean Paulsen	Downline for Nord, MGA	13.12
Bill	03/01/2013	Mark LaJoie	Downline for Nord, MGA	51.44
Bill	03/01/2013	Phillip DeSoto	Downline for Nord, MGA	158.79
Bill	03/01/2013	Terri Morast	Downline for Nord, MGA	9.00
Bill	03/01/2013	Donald Johnson	Downline for Nord, MGA	10.85
Bill	03/01/2013	Ron Pfieffe	Downline for Nord, MGA	194.83
Bill	03/01/2013	Jeffrey Wilson	Downline for Nord, MGA	17.72
Bill	03/01/2013	AAA OREGON	Downline for Nord, MGA	487.04
Bill	03/01/2013	AAA IDAHO ASSOCIATION	Downline for Nord, MGA	60.09
Bill	03/01/2013	Jeff Hovey	Downline for Nord, MGA	121.88
Bill	03/01/2013	Jim Conner	Downline for Nord, MGA	126.64
Bill	03/01/2013	Susan Throssel	Downline for Nord, MGA	114.35
Bill	03/01/2013	Alan Feist	Downline for Nord, MGA	761.19
Bill	03/01/2013	Lawrence Lee	Downline for Nord, MGA	71.78
Bill	03/01/2013	Rick Baumgartner	Downline for Nord, MGA	61.15
Bill	03/01/2013	Rosemary Johnson	Downline for Nord, MGA	176.97
Bill	03/01/2013	Barbara Quaife-Hopkins	Downline for Nord, MGA	179.02
Bill	03/01/2013	John Westman - MGA Downlines	Downline for Nord, MGA	645.91
Bill	03/01/2013	Automobile Club Insurance Agency	Downline for Nord, MGA	364.57
Bill	03/01/2013	WASHINGTON STATE GRANGE CO-OP	Downline for Nord, MGA	108.32
Bill	03/01/2013	Linda Volosin	Downline for Nord, MGA	232.51
Bill	03/01/2013	DAVID FRANCO	Downline for Nord, MGA	361.50
Bill	03/05/2013	Faegre Baker Daniels LLP	Legal Fees	7,622.00

Exh. BIV 3

TWG Capital, Inc.  
Schedule of Receivables  
March 31, 2013

Name	Amount	Date Due
Imagine Reinsurance	<u>\$ 30,000.00</u> <u>\$ 30,000.00</u>	Jan-13 Settlement receivable

Exhibit C





KeyBank  
P.O. Box 22114  
Albany, NY 12201-2114

**Business Banking Statement**  
**March 31, 2013**  
page 1 of 4

141601002951

34 31 T 0160 00000 R EM AO

TWG CAPITAL, INC.  
OPERATING ACCOUNT  
7434 SHADELAND STATION WAY  
INDIANAPOLIS IN 46256-3925

**Questions or comments?**  
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### KeyNotes

#### Important Information about Check Image Statements

If you are receiving statements displaying digital images of the front and back of each check, please note the following important information.

Statements will be limited to ten thousand digital check images. Accounts with more than ten thousand checks per statement period will not receive check images with the account statement.

If you should require a copy of a specific check image, all the digital check images or to discuss other delivery channels for check images please feel free to contact us at the phone number provided on this statement. Check images are retained on our secure system for the period specified by law.

Please read and retain this information with all of your KeyBank Account Opening Agreements and Disclosures.

### Key Business Reward Checking 141601002951

TWG CAPITAL, INC.  
OPERATING ACCOUNT

Beginning balance 2-28-13	\$140,995.50 (A)
4 Additions	+12,214.45
44 Subtractions	-59,701.80
Net fees and charges	-10.00
<b>Ending balance 3-31-13</b>	<b>\$93,498.15 (B)</b>

Total Cash Per Bank:

	<u>2/28/13</u>	<u>3/31/13</u>
Operating a/c (A)	140,995.50	93,498.15 (B)
DSA LTPL (C)	66,969.22	66,969.22 (A)
	<u>207,964.72</u>	<u>160,467.37</u>

Exhibit D 1/4

Business Banking Statement  
March 31, 2013  
page 2 of 4

141601002951

**Rewards**

Rewards point balance, as of 03-29-2013 35,311

Rewards Number Name

141601002951000 TWGCAPITAL,INC.

141601002951001 MARKP NONDORF

Rewards Number Name

141601002951002 MELANIES OTTO

Visit key.com/rewards for details

**Additions**

Deposits	Date	Serial #	Source	
	3-5		Easy Savings of Easysavings NY USA	\$3.60
	3-8		Deposit Branch 0160 Indiana	1,000.00
	3-12		Deposit Branch 0160 Indiana	7,907.93
	3-12		Deposit Branch 0160 Indiana	3,302.92
			<b>Total additions</b>	<b>\$12,214.45</b>

**Subtractions**

Paper Checks \* check missing from sequence

Check	Date	Amount	Check	Date	Amount	Check	Date	Amount
1992	3-20	\$51.44	2030	3-20	1,000.00	2046	3-15	33.71
*1994	3-1	58.31	2031	3-29	4,481.15	*2048	3-19	188.09
*2002	3-6	60.96	*2033	3-22	284.80	2049	3-25	336.92
*2008	3-7	511.17	2034	3-20	35.13	2050	3-21	1,275.90
*2017	3-4	1,614.35	2035	3-25	204.47	2051	3-21	304.80
*2022	3-12	28.38	2036	3-21	35.22	*2054	3-25	392.25
2023	3-8	3,009.27	*2038	3-26	193.21	2055	3-15	384.50
2024	3-6	4,690.00	*2040	3-20	567.93	2056	3-18	277.55
2025	3-12	175.00	2041	3-20	74.03	2057	3-18	375.00
2026	3-8	668.75	*2044	3-29	112.35	2058	3-12	608.76
2027	3-12	100.00	2045	3-25	415.74	2059	3-19	31,226.60
*2029	3-13	3,302.92						

Paper Checks Paid \$57,078.66

Withdrawals	Date	Serial #	Location	
	3-1		Wki*Ctcorporati 800-624-0909 NY USA	\$536.00
	3-1		Wki*Ctcorporati 800-624-0909 NY USA	286.00
	3-4		Msft *Online 099999999999 WA USA	36.00
	3-6		Appia Communicatebill ACH	417.36
	3-11		Paychex Eib Invoice	8.92
	3-14		Payx-Sdd Ccoll-Sdd	850.00
	3-14		Comcast Payment	218.07
	3-15		Paychex-Hrs Hrs Pmt	116.75
	3-20		J2 *Efax Plus S 323-817-3205 CA USA	16.95
	3-29		Avis Rent-A-Car Indianapolis In USA	137.09
			<b>Total subtractions</b>	<b>\$59,701.80</b>

Ex D 2/4



Business Banking Statement  
March 31, 2013  
page 3 of 4

141601002951

**Fees and  
charges**

<i>Date</i>		<i>Quantity</i>	<i>Unit Charge</i>	
3-8-13	Feb Kbo Manage Access (Monthly)	1	10.00	-\$10.00
<b>Fees and charges assessed this period</b>				<b>-\$10.00</b>

Ex D 3/4



KeyBank  
P.O. Box 22114  
Albany, NY 12201-2114

**Business Banking Statement**  
**March 31, 2013**  
page 1 of 3

141601002969

31 T 0160 00000 R EM AO  
TWG CAPITAL, INC.  
DBA LTPC  
7434 SHADELAND STATION WAY  
INDIANAPOLIS IN 46256-3925

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*Please read and retain this information with all of your KeyBank Account Opening Agreements and Disclosures.*

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**Key Business Reward Checking 141601002969**  
TWG CAPITAL, INC.  
DBA LTPC

Beginning balance 2-28-13	(C)	\$66,969.22	(D)
Ending balance 3-31-13		\$66,969.22	

### Rewards

Rewards point balance, as of 03-29-2013 800

Rewards Number	Name
141601002969000	TWGCAPITAL, INC.

Rewards Number	Name
141601002969001	MELANIES OTTO

ExD 4/4



**TWG Capital, Inc**  
**March 31, 2013 Unaudited Financials**  
**Basis of Presentation**

**The accompanying unaudited financial statements include (or exclude as appropriate), the following items:**

On December 31, 2012, the Debtor consummated the sale of substantially all of the assets of the debtor's estate in accordance with Asset Purchase Agreement by and between Carmel Funding LLC previously authorized by the Court. The attached financial statements reflect the closing of the transaction based on the information available as of the date of this report.

Pursuant to the Settlement Agreement dated November 20, 2012 by and between the Debtor, Lion Trust and Imagine (the "Settlement Agreement"), the pre-petition Downline Claims and the claims of the Downlines for post-petition commission payments have been and will be satisfied by Lion Trust, and the obligations of the Debtor to the Downlines have been extinguished. The debtor has petitioned to the court that the Downline Claims be expunged in light of this Settlement Agreement. The Court has approved this motion. Accordingly, the obligation to Dowlines has been reduced. The corresponding offset was to retained earnings.

In addition, certain non-cash intangibles, such as unamortized origination expenses and deferred revenue, were written off as the underlying asset or earning process was sold as part of the sale of assets to Carmel Funding LLC. The impact of that write-off was included as an adjustment to retained earnings.

*Exhibit E 1/8*



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04/12/13

Accrual Basis

**TWG Capital**  
**Balance Sheet**  
 As of March 31, 2013

	Mar 31, 13
<b>ASSETS</b>	
Current Assets	
Checking/Savings	
1030 · Key Bank Operating	87,037.50
1040 · Key Bank LTPC	62,242.42
Total Checking/Savings	149,279.92
Accounts Receivable	
1200 · Accounts Receivable	30,000.00
Total Accounts Receivable	30,000.00
Other Current Assets	
1250 · Other Current Assets	
1515 · Other Deposits & Advances	80,000.00
Total 1250 · Other Current Assets	80,000.00
Total Other Current Assets	80,000.00
Total Current Assets	259,279.92
Other Assets	
1600 · Member Interests	
1601 · Marketing General Agents	38,541.05
1602 · AIMC	-24,219.50
1620 · Insurance Receivables 2	150.00
1630 · Insurance Receivables 3	200.00
1660 · Insurance Receivables 6	-18,034.28
1670 · Insurance Receivables 7	-54,402,271.67
Total 1600 · Member Interests	-54,405,634.40
1800 · Deferred Tax Assets	12,805,574.00
Total Other Assets	-41,600,060.40
<b>TOTAL ASSETS</b>	<b>-41,340,780.48</b>
<b>LIABILITIES &amp; EQUITY</b>	
Liabilities	
Current Liabilities	
Accounts Payable	
2000 · Accounts Payable	
2001 · IR1-IC Payable	278.14
2008 · MGA - IC Payable	29,077.67
2040 · Accounts Payable - LTPC	514,075.87
2000 · Accounts Payable - Other	166,230.71
Total 2000 · Accounts Payable	709,662.39
Total Accounts Payable	709,662.39
Other Current Liabilities	
2050 · Payroll Liabilities	-460.32
2059 · FSA - Medical	102.61
2100 · Accrued Expenses	
2101 · Accrued Accounting Expenses	2,275.00
2104 · Accrued Wage Expense	601,014.54
2106 · Accrued Dividend	1,659,504.50
2113 · Accrued Federal Income Tax	578.82
2114 · Accrued Indiana Income Tax	144.70
2115 · Accrued Downline/First Years	1,529.30
Total 2100 · Accrued Expenses	2,265,046.86
2500 · Deferred Income Tax Liabilities	4,188,282.00
2510 · Deferred Tax Valuation Allowanc	8,617,292.00
Total Other Current Liabilities	15,070,263.15
Total Current Liabilities	15,779,925.54

*Ex E 2/5*

2:38 PM

04/12/13

Accrual Basis

**TWG Capital**  
**Balance Sheet**  
As of March 31, 2013

	Mar 31, 13
Long Term Liabilities	
2600 · Notes Payable	
2610 · Notes Payable to Cardinal	74,000.00
2600 · Notes Payable - Other	27,771.19
Total 2600 · Notes Payable	101,771.19
Total Long Term Liabilities	101,771.19
Total Liabilities	15,881,696.73
Equity	
3000 · Opening Bal Equity	0.01
3110 · Retained Earnings	-67,404,730.78
3520 · Capital Stock	103.25
3521 · Additional Paid-in-Capital	12,698,948.49
3525 · Preferred Stock	2.46
3526 · Preferred Dividend	-2,419,485.45
Net Income	-97,315.19
Total Equity	-57,222,477.21
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b>-41,340,780.48</b>

*Ex E 3/1*

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Accrual Basis

**TWG Capital  
Profit & Loss**

January through March 2013

	Jan 13	Feb 13	Mar 13	TOTAL
<b>Ordinary Income/Expense</b>				
Income				
4010 · Fees				
4013 · Servicing Fee Textron	12,121.61	0.00	0.00	12,121.61
4016 · Loan Origination Fee	3,546.49	-3,546.49	0.00	0.00
Total 4010 · Fees	15,668.10	-3,546.49	0.00	12,121.61
Total Income	15,668.10	-3,546.49	0.00	12,121.61
Gross Profit	15,668.10	-3,546.49	0.00	12,121.61
Expense				
6000 · Corporate Expenses				
6040 · Amortization Expense	7,800.63	-7,800.63	0.00	0.00
6120 · Bank Service Charges	10.00	142.05	10.00	162.05
6186 · Property Casualty Insurance	85.58	-85.58	0.00	0.00
6187 · D & O Insurance	920.83	-920.83	0.00	0.00
6188 · E & O Insurance	621.00	0.00	0.00	621.00
6230 · Licenses and Permits	0.00	822.00	0.00	822.00
6240 · Miscellaneous	45.00	1,317.50	0.00	1,362.50
6245 · Online Expense	254.09	254.09	254.07	762.25
6247 · Technology	9,671.40	6,561.40	5,890.33	22,123.13
6550 · Office Supplies	5.35	0.00	0.00	5.35
Total 6000 · Corporate Expenses	19,413.88	290.00	6,154.40	25,858.28
6100 · Occupancy Expenses				
6150 · Depreciation Expense	1,478.08	-1,478.08	0.00	0.00
6172 · Equipment - Non-Depreciable	1,356.49	-297.22	1,337.50	2,396.77
6290 · Rent	3,149.22	3,149.22	3,009.27	9,307.71
6301 · Repairs				
6750 · Janitorial Exp	175.00	175.00	175.00	525.00
Total 6301 · Repairs	175.00	175.00	175.00	525.00
6390 · Utilities				
6400 · Gas and Electric	529.43	500.62	469.50	1,499.55
Total 6390 · Utilities	529.43	500.62	469.50	1,499.55
Total 6100 · Occupancy Expenses	6,688.22	2,049.54	4,991.27	13,729.03
6200 · Personnel Costs				
6180 · Insurance				
6420 · Work Comp	246.92	-246.92	0.00	0.00
Total 6180 · Insurance	246.92	-246.92	0.00	0.00
6560 · Payroll Expense				
6562 · Gross Wages	15,848.11	-75,857.84	0.00	-60,009.73
6569 · PayChex Service Charges	236.92	342.75	116.75	696.42
6573 · 401K Expense	149.17	-149.17	0.00	0.00
Total 6560 · Payroll Expense	16,234.20	-75,664.26	116.75	-59,313.31
Total 6200 · Personnel Costs	16,481.12	-75,911.18	116.75	-59,313.31
6270 · Professional Fees				
6280 · Legal Fees	0.00	43,893.72	38,848.60	82,742.32
6650 · Accounting	1,562.50	1,562.50	0.00	3,125.00
6270 · Professional Fees - Other	2,366.83	1,614.35	6,494.44	10,475.62
Total 6270 · Professional Fees	3,929.33	47,070.57	45,343.04	96,342.94
6300 · Marketing Expenses				
6225 · Marketing Expense	16.95	16.95	16.95	50.85
6250 · Postage and Delivery	184.00	92.00	0.00	276.00
6340 · Telephone	620.05	441.49	416.11	1,477.65
Total 6300 · Marketing Expenses	821.00	550.44	433.06	1,804.50
6350 · Travel & Ent				
6355 · Auto	0.00	0.00	137.09	137.09
Total 6350 · Travel & Ent	0.00	0.00	137.09	137.09
6820 · Taxes				
6830 · Federal				
6833 · Social Security-Employer	982.59	1,178.34	0.00	2,160.93
6834 · Medicare-Employer	229.79	275.58	0.00	505.37
6835 · FUTA	95.09	46.50	0.00	141.59
Total 6830 · Federal	1,307.47	1,500.42	0.00	2,807.89
6860 · State				
6866 · SUTA	1,147.75	881.28	0.00	2,029.03
Total 6860 · State	1,147.75	881.28	0.00	2,029.03
6820 · Taxes - Other	0.00	0.00	100.00	100.00
Total 6820 · Taxes	2,455.22	2,381.70	100.00	4,936.92
Total Expense	49,788.77	-23,568.93	57,275.61	83,495.45
Net Ordinary Income	-34,120.67	20,022.44	-57,275.61	-71,373.84
Other Income/Expense				
Other Income				

Ex E 4/5

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Accrual Basis

TWG Capital  
Profit & Loss

January through March 2013

	Jan 13	Feb 13	Mar 13	TOTAL
7030 - Other Income	41.22	0.00	0.00	41.22
Total Other Income	41.22	0.00	0.00	41.22
Other Expense				
8010 - Other Expenses	19,009.00	7,409.75	-436.18	25,982.57
Total Other Expense	19,009.00	7,409.75	-436.18	25,982.57
Net Other Income	-18,967.78	-7,409.75	436.18	-25,941.35
Net Income	-53,088.45	12,612.69	-56,839.43	-97,315.19

EX E 5/5